

KING COUNTY WATER DISTRICT No. 49
King County, Washington
January 1, 1991 Thru December 31, 1991

Schedule Of Findings

1. Commissioner Should Reimburse The District For Medical Premiums Paid On His Behalf During The Period That He Was Ineligible To Be Covered

During the audit period, district officials added one commissioner to the district's health plan provided to district personnel. The commissioner reimbursed the district \$2,710 for premiums paid by the district on his behalf for the period from August 1991 through May 1992.

The commissioner was added to the medical plan based on the amendment to RCW 57.08.100 by ESHB 1031, which became effective July 28, 1991. The amendment provides:

A water district with five thousand or more customers providing health, group or life insurance to its employees may provide its commissioners with the same coverage; PROVIDED, that the per person amounts for such insurance paid by the district shall not exceed the per person amounts paid by the district for its employees.

Subsequent legal interpretation indicated that a board of commissioners had to take action on behalf of a board member to fulfill the "may provide" provision. Based upon other legal interpretations, such action would increase a commissioner's compensation and therefore, only newly elected or reelected commissioners could be provided medical coverage, assuming the district had sufficient customers.

During the 1992 legislative session, ESHB 1150 was passed and it excluded medical insurance benefits as additional compensation for water district commissioners. As a result all commissioners could be added, effective June 11, 1992, to a district's medical plan and the district could pay the premiums.

Based upon this most recent legislative change, the above commissioner requested that he be repaid the premiums he had paid to the district. The district repaid the commissioner based upon written advise of their legal counsel.

By adding the commissioner to the district's medical plan, the district afforded the commissioner a benefit to which he was not entitled. The situation is further complicated by the district returning \$2,710 in medical insurance premiums to the commissioner.

We recommend district officials seek reimbursement of \$2,710 from the commissioner.